Seat No. : ______________

MP-101

May-2022

B.B.A, Sem.-II

CC-109 : Cost Accounting

Time : 2 Hours] **[Max. Marks : 50**

Instructions :
(1) **All** Questions in Section – I carry equal marks.
(2) Attempt any **TWO** questions in Section – I.
(3) Question **5** in Section – II is Compulsory.
(4) Attempt any **ten** questions in Section – II.

Section – I

1. (A) Discuss the advantages & limitations of Cost Accounting. **10**

   (B) Write a note on Elements of Cost. **10**

2. (A) Aakash Limited produced and sold 20,000 Roller pen at its 40% production capacity in the year 2021. The following is the cost per unit. **10**

Particulars	₹
Direct Material	30
Direct Labour	10
Factory overheads	25
Office overheads	10
Sales overheads	15
Sales	100

For the year 2022 estimated that,

(1) Production will be 50,000 units and sales will be 40,000 units.

(2) Price of direct material and direct wages per unit will rise by 20%.

(3) Manufacturing charges will change in proportion to the combined cost of material and wages.

(4) Administrative expenses will increase by ₹ 50,000.

(5) Selling expenses will increase upto ₹ 17 per unit.

(6) Profit per unit is same as last year.

Prepare : (1) Cost sheet for the year 2021.

(2) Estimated cost sheet for the year 2022.

(B) Prepare a cost sheet showing cost for the year 2021 from the following particulars : **10**

Particulars	₹	Particulars	₹
Direct Materials	3,50,000	Indirect Material	20,500
Direct Wages	1,05,000	Fuel and power	25,000
Bad debt reserve	20,000	Warehouse rent	4,400
Insurance (Factory)	20,000	Factory Supervisor's salary	3,800
Insurance (Office)	15,000	Office staff salary	65,000
Depreciation on factory Building	35,000	Managing Director's fees	35,000
Discount on debenture	5,500	Stationery	3,000
Lighting -Factory	12,000	Telephone charges	6,500
Lighting- Office	3,000	Depreciation on office furniture	8,000
Commission on sales	19,000	Depreciation on Machinery	10,800
Trade fair expenses	9,500	Delivery van maintenance exp.	3,500
Carriage outward	3,000	Sales	9,00,000

3. The following is the Trading and Profit & Loss Account of Oriental Manufacturing Co. for the year ended 31-3-2021: **20**

Particulars	₹
Direct Material	5,00,000
Direct wages	3,00,000
Factory overheads	2,50,000
Administrative overheads	1,50,000
Selling & Distribution Expenses	1,00,000
Closing Stock of finished goods (1000 Units)	2,00,000
Sales (5000 Units)	15,00,000
Preliminary Expenses written off	40,000
Donation	10,000
Interest paid	5,000
Rent received	4,000
Discount received	2,000

Information received from cost accounts is as under

(1) Material and wages are recorded at actual cost.

(2) Factory overheads are charged at 1/3 of wages.

(3) Administrative overheads are charged at 20% of factory cost.

(4) Selling and distribution expenses are charged at ₹ 5 per unit.

Prepare : (1) Cost sheet.

(2) Profit and loss account.

(3) Reconciliation statement of profit or loss.

4. Following balances have been taken from the cost ledger of Orbit Company Ltd. as on 31-3-2021. **20**

Particulars	**Debit (₹)**	**Credit (₹)**
Stores Ledger Control A/c.	6,00,000	–
Work-in-Progress A/c	5,00,000	–
Finished Goods Control A/c	10,00,000	–
General Ledger Control A/c	–	21,00,000
	21,00,000	21,00,000

Following were the transactions during the year 2021-22 :

Particulars	**₹**
Purchase of stores	7,80,000
Stores issued to production	5,40,000
Normal wastage of materials	10,000
Abnormal wastage of materials	6,000
Indirect materials issued to production	15,000
Carriage inward	6,000
Selling expenses	12,000
Direct wages	2,10,000
Indirect wages	60,000
Actual factory overheads paid	70,000
Actual office expenses paid	50,000
Recovery of factory overhead	90,000
Recovery of office overhead	60,000
Cost transferred to finished goods	12,00,000
Cost of sales	15,00,000
Sales	20,00,000

From the above information, prepare necessary accounts in cost ledger of the company and prepare Trial Balance as on 31-3-2022.

Section - II

5. Do as Directed : **10**

(1) In Textile industry _______ Method is used

(A) Operating costing (B) Job Costing

(C) Process Costing (D) Batch Costing

(2) Job Costing method is use for

(A) Oil Refinery (B) Pharmaceutical Company

(C) Printing Press (D) Hotel Industries

(3) Basic objective of cost accounting is _____.

(A) Cost ascertainment (B) Profit Analysis

(C) Expense Analysis (D) Valuation of fixed assets

(4) Office overheads can be calculated with
   (A) Production Unit (B) Sales Unit
   (C) Combined Unit (D) None

(5) Which one of the following is a "Period Cost" ?
   (A) Direct Labour (B) Canteen Expenses
   (C) Office Rent (D) Factory Expenses

(6) Overhead cost is the total of
   (A) All Indirect Expenses (B) All Direct Expenses
   (C) All Combined Expense (D) None

(7) Production of A is 2,000 units and B is 4,000 units. If material used in production of A is two times than the material used in the production of B, what will be the ratio of the apportioning of joint cost ?
   (A) 1 : 1 (B) 1 : 2
   (C) 2 : 1 (D) 1 : 4

(8) If cost of product is ₹ 5,00,000, amount of profit is ₹ 2,50,000, state the percentage of profit on sales.
   (A) 20% (B) 25%
   (C) 33.33% (D) 50%

(9) Expense not recorded in Financial Accounts :
   (A) Bank Interest (B) Staff Salary
   (C) Rent of own house (D) Donation

(10) Wages paid to workers who had gone on strike debited to _______.
   (A) Wages Control A/c (B) Cost Ledger Control A/c
   (C) Factory Overhead A/c (D) Cost P & L A/c.

(11) Amount recorded in Profit & Loss A/c, but not recorded in Cost Account
   (A) Office Salary (B) Provision for income tax
   (C) Salesmen commission (D) Depreciation on Assets

(12) Participation in industrial fair expenses are recorded under __________ Overhead
   (A) Factory (B) Office
   (C) Selling (D) None

(13) Material Purchase for special job is debited
   (A) Store Ledger A/c (B) W.I.P. A/c
   (C) Factory overhead (D) Cost of sales A/c

(14) In case of normal loss of material which Account is debited ?
   (A) Factory overhead (B) Office and Admin overhead
   (C) Cost P & L A/c (D) Selling & Dist. overhead

(15) Loss as per Cost Accounts is ₹ 40,000, Goodwill written off is ₹ 18,000, Dividend received is ₹ 45,000. The loss as per the financial book would be as under :
   (A) 13,000 (B) 63,000
   (C) 1,17,000 (D) 1,53,000